

APPLICATION FOR FINANCIAL LIFELINE

THE PURPOSE OF THIS DOCUMENT

ASATA is preparing letters which will be sent to the Office of the President, the Department of Tourism, National Treasury, the Department of Trade and Industry and the Department of Labour, with general arguments in favour of a bailout for our industry. The letters will indicate that members will apply individually for assistance.

This document is aimed at assisting you to collect business information in the interim to support your application for financial assistance. The purpose of this document is to assist you in preparing a request to government for financial assistance.

Important disclaimer: Due to Competition law constraints, ASATA cannot collect confidential commercial information of competitors. Please do not send this information to us!

THE ARGUMENTS WE WILL MAKE ON YOUR BEHALF

Here is a list of the arguments that we will make on your behalf. You should collect any information and statistics that support these arguments. You are also welcome to add any arguments that apply to your organisation which are not covered by these arguments.

1. The travel industry started feeling the impact of the crisis before other industries. This means that we have had to trade under these circumstances for longer and have a more urgent need for financial assistance than other industries.
2. The effect on the travel industry has been more absolute than in other industries. The demand for our services dropped by 100% due to travel bans and other government interventions to fight the epidemic. In addition, travel bans and restrictions on movement will likely continue beyond the lifting of the lock-down. This means that the demand for our services is likely going to be slower to return.
3. Large businesses in the industry employ a lot of people and sustain many SMMEs. Yet, they are being over-looked so far by government. If the large businesses are allowed to fail, scores people are going to lose their livelihood, and many SMMEs will go under.
4. We are responsible for refunding consumers and customers, but the airlines and other travel service providers are not refunding us. We need support to continue to provide support to South African consumers.
5. Due to the extraordinary risks faced by this industry, other lines of credit and funding options are not available to us.
6. The large businesses in the industry have government and organisations in the private sector as clients. They are not paying us, which is placing further pressure on our cashflow.
7. We have already taken all of the cost-saving measures we can to survive. Requesting financial assistance from government is a last resort.



WHAT WILL HAPPEN NEXT

Here is what will happen next:

- ASATA will send the letters to the various departments and will provide them to you.
- ASATA will provide you with instructions on where to submit your applications.
- It is up to you to decide whether you want to apply, and you must customise your application to reflect the needs of your organisation.

1. THIS IS WHO WE ARE

Company name:

A brief description of the nature business:

B-BEEE score:

2. THE PEOPLE WHO WORK FOR US

Number of employees in January 2019:

Number of employees in January 2020:

Employee demographics: [insert data used for employment equity reporting]

Amount we spend on payroll every month:

3. OTHER PEOPLE WHO DEPEND ON US

Number of small travel businesses dependant on us (franchisees; suppliers etc.):

Number of employees of those businesses:

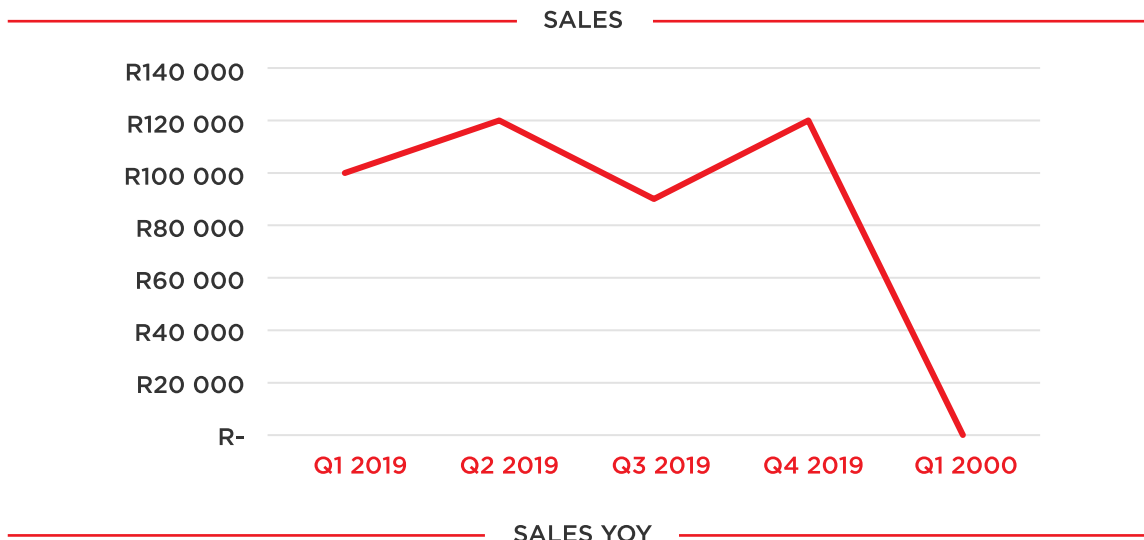
Amount they spend on payroll every month:

4. IMPACT OF COVID-19 ON OUR BUSINESS

4.1. A dramatic decrease in sales

Our sales figures:

[include your own sales figures here, see below graph for a proposed example]



4.2. Accounts receivable

The amount our service providers and customers owe us: [Provide information on your accounts receivable. Be as specific as possible. We suggest that you break the information down as follows to support some of the arguments ASATA will make on your behalf. If these amounts have increased due to the pandemic, your figures should indicate that.]

- SAA:
- Other airlines:
- Other travel service providers:
- Government:
- Our clients:

4.3. Cancellations and refunds

The amount we owe to our customers due to COVID-19:

The amount we have refunded to date to our customers due to COVID-19:

5. APPLICATIONS FOR CREDIT OR FINANCIAL ASSISTANCE

Applications made for credit or financial assistance	Status or outcome of the application

6. COST SAVING MEASURES WE HAVE ALREADY IMPLEMENTED

Provide information relating to the cost-saving measures you have already implemented.

7. ESTIMATED RETRENCHMENTS AND IMPACT ON BUSINESSES WE SUPPORT

Without financial assistance, we will have to start retrenching people on:

Number of people who will lose their jobs:

Number of small travel businesses we will no longer be able to support:

8. BY WHEN WE WILL GO OUT OF BUSINESS

Without financial support, we will have to close our doors within: [insert number of days/weeks/months]

9. AMOUNT WE NEED TO SURVIVE ANOTHER 3 MONTHS

This is the amount of financial assistance we will need to survive for another three months without retrenching our employees: